

Message Text

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FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 4184

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 1 OF 2 RIO DE JANEIRO 3622

EXDIS

DEPT PASS IO/SCT FROM USDEL IAEA

EO 11652: GDS

TAGS: IAEA, AORG, OCON, FR

SUBJ: IAEA 20TH GENERAL CONFERENCE: FRENCH VIEWS ON NON-
PROLIFERATION

1. SUMMARY: IN GENERAL REVIEW OF FRENCH DEVELOPMENTS OF NON-
PROLIFERATION POLICY, GOLDSCHMIDT INFORMED US REPS THAT NEW
FRENCH COUNCIL ON EXTERNAL NUCLEAR POLICY WHOSE FORMATION HE
ATTRIBUTED TO INFLUENCE OF SECRETARY KISSINGER ON GISCARD IS
EXPECTED TO PLAY ACTIVE AND MAJOR ROLE IN ALL FUTURE FRENCH
NON-PROLIFERATION ISSUES. HE ALSO PREDICTED FRANCE IS PREPARED TO
MOVE FURTHER IN DIRECTION OF STRICTER NON-PROLIFERATION MEASURES,
BUT CAUTIONED AGAINST CONTINUED ESCALATION OF GUIDELINES WHICH
HE BELIEVES WILL DRIVE RECIPIENT COUNTRIES TO INDIGENOUS DEVELOP-
MENT. END SUMMARY

1. IRVING, SIEVERING AND KRATZER HELD OVERALL DISCUSSION ON
RECENT DEVELOPMENTS IN FRENCH AND US NON-PROLIFERATION POLICY.
GOLDSCHMIDT, WHO WAS IN EXPANSIVE MOOD, OPENED DISCUSSION BY
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STATING IN MORE CATEGORICAL TERMS THAN AT ANY TIME IN THE PAST

THAT, NOT ONLY HAVE FRENCH VIEWS ALREADY UNDERGONE A CHANGE, BUT THAT HE BELIEVES FRANCE IS PREPARED TO GO A CONSIDERABLE DISTANCE FURTHER IN THE ADOPTION OF STRICTER NON-PROLIFERATION MEASURES. HE BALANCED THIS ASSERTION, HOWEVER, WITH STRONG CAVEAT THAT SUPPLIERS, SHOULD DECIDE ON THE BASIS OF CAREFUL CONSIDERATION WHAT THEIR FINAL POLICY IS TO BE AND SHOULD MAKE CLEAR WHEN THIS DECISION IS REACHED THAT POLICY WILL REMAIN FIXED AND STABLE. GOLDSCHMIDT CONTENDED THAT REPEATED CALLS FOR STRICTER POLICIES SIMPLY DRIVES RECIPIENT COUNTRIES TO GREATER EFFORTS TOWARD SELF-RELIANCE AND ARE THEREFORE SELF DEFEATING. CITING HIS OWN WARTIME EXPERIENCE AS MEMBER OF ANGLO-FRENCH GROUP IN MANHATTAN PROJECT WHICH INITIATED RESEARCH ON SOLVENT EXTRACTION REPROCESSING IN CANADA AFTER BEING REFUSED ACCESS TO US REPROCESSING INFORMATION. GOLDSCHMIDT OBSERVED THAT REPROCESSING TECHNOLOGY IS WIDESPREAD, AND THAT VIRTUALLY ANY NATION COULD ASSEMBLE TEAM FOR CONSTRUCTION OF SMALL REPROCESSING FACILITY, WHICH HE VIEWS AS EASY TASK, UNLIKE DEVELOPMENT OF COMMERCIAL REPROCESSING FACILITIES. HE NOTED THAT CRITICS COULD ALWAYS FIND BASIS FOR DEMANDING TOUGHER POLICIES AND DEPLORED US PRACTICE OF PUBLIC DEBATE ON THESE SENSITIVE ISSUES, WHICH HE BELIEVES COMPLICATES ABILITY TO REACH AGREEMENT AMONG SUPPLIERS AND ACCEPTANCE BY RECIPIENTS.

2. GOLDSCHMIDT ACKNOWLEDGED THAT LIMITATIONS OF PRESENT SUPPLIERS GUIDELINES ARE LARGELY RESULT OF FRENCH INSISTENCE ON CONDITIONING THEIR PARTICIPATION IN GROUP ON ACCEPTANCE OF FRENCH VIEWS. HE STATED, HOWEVER, THAT THIS RESTRICTION IS NO LONGER A PROBLEM, SINCE FRENCH VIEWS HAVE CHANGED. HE ATTRIBUTED CHANGE TO SECRETARY KISSINGER'S SUCCESS IN SENSITIZING GISCARD TO NUCLEAR PROLIFERATION ISSUE IN COURSE OF THEIR VARIOUS CONVERSATIONS. GOLDSCHMIDT ATTRIBUTED CONSIDERABLE IMPORTANCE TO NEW FRENCH COUNCIL ON EXTERNAL NUCLEAR POLICY, WHICH HE STATED WAS DIRECT RESULT OF GISCARD'S CONCERN OVER NUCLEAR ISSUE. COUNCIL WILL BE STANDING BODY CONSISTING OF SEVEN MEMBERS HEADED BY GISCARD, AND WILL CONSIDER ALL IMPORTANT NUCLEAR ISSUES AND POLICIES, INCLUDING FRENCH POSITION FOR NOVEMBER MEETING OF SUPPLIERS GROUP. MEMBERSHIP IN ADDITION TO GISCARD, INCLUDE PRIME MINISTER, FINANCE MINISTER (CURRENTLY BOTH HELD BY BARRE), AND MINISTERS OF FOREIGN AFFAIRS, FOREIGN COMMERCE, DEFENSE, INDUSTRY, AND HEAD OF ATOMIC ENERGY COMMISSION WITH SECRETARY GENERAL OF ELYSEE SERVING

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AS SECRETARY. GOLDSCHMIDT BELIEVES COUNCIL WILL ACTUALLY FUNCTION AT MINISTERIAL LEVEL, NOTING THAT GISCARD HAD PERSONALLY REVIEWED RECENTLY CONCLUDED FRENCH SOUTH AFRICAN AGREEMENT WITH HIM.

3. TURNING TO SPECIFIC ISSUES, GOLDSCHMIDT CITED FRENCH-SOUTH AFRICAN ARRANGEMENT, IN WHICH FRANCE HAS INSISTED THAT REPROCESSING TAKE PLACE OUTSIDE OF SOUTH AFRICA AS INDICATION OF NEW FRENCH TOUGHNESS ON REPROCESSING ISSUE. HE INDICATED, HOWEVER,

THAT IT WAS DOUBTFUL THAT THIS POLICY WOULD BE EXTENDED TO ALL OTHER FRENCH NUCLEAR PARTNERS. IN SPECIFIC CASE OF IRAN, WHICH IS AFFECTED BY FACT THAT NEGOTIATIONS BEGAN IN 1974 WHEN FRANCE ESSENTIALLY AGREED TO COOPERATE IN ALL PHASES OF FUEL CYCLE. FRENCH ARE NOW TAKING POSITION THAT THEY WILL REPROCESS IN FRANCE UNTIL ECONOMIC NEED FOR REPROCESSING IN IRAN ARISES AT WHICH TIME FRANCE WOULD BE PREPARED TO ASSIST IRAN IN REPROCESSING TECHNOLOGY. GOLDSCHMIDT PROFESSED TO BE SOMEWHAT UNCERTAIN WHETHER FRANCE WOULD SEEK TO RETAIN VETO OVER REPROCESSING IN IRAN DURING PERIOD OF FRENCH REPROCESSING, BUT MADE IT REASONABLY CLEAR THAT THIS WOULD NOT BE CASE.

4. PUTTING ASIDE SPECIAL CASES SUCH AS SOUTH AFRICA, WHICH HE SAID WAS PREPARED TO ACCEPT ANYTHING, GOLDSCHMIDT ALSO DOUBTED THAT RECIPIENT COUNTRIES WOULD GENERALLY BE PREPARED TO ACCEPT ARRANGEMENTS UNDER WHICH THEY WERE PERMANENTLY PRECLUDED FROM

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ACTION SS-25

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P R 241828Z SEP 76
FM AMCONSUL RIO DE JANEIRO
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C O N F I D E N T I A L SECTION 2 OF 2 RIO DE JANEIRO 3622

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REPROCESSING. HE ACKNOWLEDGED US REPS POINT THAT NATIONAL REPROCESSING DOES NOT SIGNIFICANTLY ENHANCE NUCLEAR FUEL INDEPENDENCE OF COUNTRIES WHICH RELY ON OUTSIDE SOURCE OF ENRICHMENT, BUT HE FELT THAT MOST COUNTRIES LOOK ON REPROCESSING, AND, THUS SEPARATION OF FISSIONABLE MATERIAL, AS INTEGRAL PART OF FULL PARTICIPATION IN NUCLEAR AGE. GOLDSCHMIDT CHARACTERIZED PRESENT US POLICY AGAINST REPROCESSING AS ABANDONMENT OF ITS FORMER

BELIEF IN EFFICACY OF SAFEGUARDS AND NPT (WE HAVE BELATEDLY DISCOVERED THAT ANYONE CAN WITHDRAW FROM TREATY ON 90 DAYS NOTICE, HE SAID), AND HE STRONGLY QUESTIONED VIEW THAT NON-PROLIFERATION UNDERTAKINGS CAN OR WILL BE EASILY VIOLATED. NOTING THAT NOT EVEN INDIA INVOLVED CLEAR CUT CASE OF VIOLATION IN VIEW OF AMBIGUITY OF EARLY UNDERTAKINGS, GOLDSCHMIDT STATED THAT THERE HAD NOT YET BEEN A VIOLATION OF NON-PROLIFERATION UNDERTAKINGS. HE QUESTIONED, THEREFORE, WHETHER PAKISTAN, WITH ITS HEAVY DEPENDENCE ON FOREIGN, AND ESPECIALLY WESTERN SUPPORT COULD AFFORD TO ABROGATE SAFEGUARDS UNDERSTANDINGS.

5. AVOIDING ANY CRITICISM OF RECENT US EFFORTS TO DETER PAKISTAN REPROCESSING PLANT, GOLDSCHMIDT REITERATED FRENCH POSITION THAT PROJECT WAS PRODUCT OF OLD FRENCH POLICY AND THAT UNDERSTANDINGS WERE OF TOO LONG-STANDING TO BE OVERTURNED. HE ACKNOWLEDGED THAT PLANT WAS EXTREME EXAMPLE OF FACILITY WITHOUT ECONOMIC JUSTIFICATION AND EXPRESSED VIEW THAT IT WOULD EVENTUALLY HAVE TO BECOME REGIONAL IN ORDER TO JUSTIFY CONTINUED OPERATION. TURNING TO PAKISTAN'S CANADIAN POWER REACTOR, GOLDSCHMIDT FEELS THAT CANADIANS WILL EVENTUALLY CUT-OFF COOPERATION WITH PAKISTAN, AND SPECULATED THAT PAKISTANIS MIGHT TURN TO PRC FOR FUTURE SUPPLIES OF HEAVY WATER AND URANIUM. HE BELIEVES THAT PRC IS LIKELY TO HAVE NATURAL URANIUM, HEAVY WATER REACTORS AND COULD MEET MODEST PAKISTANI REQUIREMENTS WITHOUT DIFFICULTY.

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6. ON SUPPLIER ISSUES, GOLDSCHMIDT REITERATED A FAVORITE THEME THAT SALE OF CANDU REACTORS REPRESENTS PROLIFERATION RISK AS SERIOUS AS DO REPROCESSING PLANTS, AND INQUIRED WHETHER USREPS SAW POSSIBILITY OF RESTRAINING HEAVY WATER REACTOR SALES (THIS SEEMS SOMEWHAT SUPERFLUOUS, IN VIEW OF OPINION ALSO EXPRESSED BY GOLDSCHMIDT THAT CANADIANS HAVE VIRTUALLY LOST MARKET AS RESULT THEIR RECENT ACTIONS IN GOING BACK ON EXISTING EXPORT ARRANGEMENTS). USREPS RESPONDED THAT WHILE SAFEGUARDING CANDU REACTORS REPRESENTS SOMEWHAT MORE DIFFICULT TECHNICAL PROBLEM THAN LWR'S, SAFEGUARDS CAN BE MADE EFFECTIVE IF SUFFICIENT EFFORT IS APPLIED, AND THAT IF SAFEGUARDS ARE ABROGATED, THERE IS LITTLE DIFFERENCE BETWEEN TWO REACTOR TYPES. GOLDSCHMIDT APPEARED TO ACCEPT THIS VIEW. GOLDSCHMIDT ALSO EXPRESSED SERIOUS CONCERN ABOUT FUTURE OF SUPPLIER CONSULTATIONS AS RESULT OF THOMSON'S REASSIGNMENT, AND SUGGESTED THAT CONSIDERATION BE GIVEN TO ROTATING SITE OF MEETING, OR AT LEAST OF CHAIRMANSHIP.

7. GOLDSCHMIDT WAS HIGHLY CRITICAL OF HEAVY-HANDED GERMAN PERFORMANCE IN RIO, INVOLVING VISIT OF NUCLEAR SHIP, "OTTO HAHN," SPONSORSHIP OF COMMERCIAL EXHIBIT AND HOSTING OF SEPARATE RECEPTION FROM GROUP RECEPTION OF EUROPEAN COMMUNITY, (WITHOUT, HE CLAIMED, ANY PRIOR NOTICE TO OTHER COMMUNITY DELEGATIONS). CHARACTERIZING THIS AS MORE AKIN TO ENTERING OCCUPIED COUNTRY

THAN ATTENDING A CONFERENCE, HE SAID THAT BRAZILIANS HAVE
ESSENTIALLY REJECTED ANY FRENCH OVERTURES AT NUCLEAR COOPERATION,
LEADING FRENCH TO BELIEVE THAT THEY ARE NO LONGER "FREE AGENTS."

8. COMMENT: THERE IS, PERHAPS, SOME INCONSISTENCY BETWEEN, ON
THE ONE HAND, GOLDSCHMIDT'S CAVEATS CONCERNING THE NEED TO
AVOID EXCESSIVE NON PROLIFERATION DEMANDS AND THE LIMITED ROLE
WHICH SUPPLY PLAYS IN NON PROLIFERATION, AND, ON THE OTHER HAND,
HIS PREDICTIONS, MADE WITH CONSIDERABLE CERTAINTY, THAT FRANCE
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IS PREPARED TO MOVE TOWARD STRICTER CONTROLS. THERE SEEMED TO
BE NO DOUBT, HOWEVER, THAT GOLDSCHMIDT HIMSELF HAS DEVELOPED
A NEW-FOUND ENTHUSIASM FOR NON PROLIFERATION, REMARKING ON SEVERAL
OCCASIONS THAT IT WAS HARD TO DISTINGUISH THE FRENCH, US AND
SOVIET STATEMENTS ON NON PROLIFERATION MADE IN AGENCY BOARD
AND GENERAL CONFERENCE.
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